8502398/2024/INFRA-INC01

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Lands - APIIC Ltd. - Coordinated Growth Policy (CGP) for conversion of land use for units located in Industrial Estates/ Parks/Areas and Standalone Industrial Units which are sick as per the definition of *Insolvency and Bankruptcy Code* and units which cannot operate due to pollution, urban growth and other factors - Operational Guidelines for implementation of the Policy - Amendment - Orders - Issued.

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INDUSTRIES AND COMMERCE (INFRA) DEPARTMENT

G.O.Ms.No.17 Dated:07.02.2024

Read the following:

1. G.O.Ms.No.6, Ind. & Com. (Infra) Dept, dt.04.02.2022.
2. G.O.Ms.No.54, Ind. & Com. (Infra) Dept., dt.29.07.2022.
3. From the VC&MD., APIIC Ltd., Letter No.APIIC-17035/2/2022-ASSET MGMT- APIIC, dt:08.09.2023 alongwith enclosures.
4. Minutes of the State Investment Promotion Board meeting held on 30.01.2024.

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ORDER:

In the G.O.1st read above, the Government have approved the Coordinated Growth Policy (CGP) for conversion of land use for units which are sick as per the definition of *Insolvency and Bankruptcy Code* and units which cannot operate due to other factors, to assist in the turnaround of sick units by permitting to unlock the land value of Brownfield asset; and to leverage financial resources from such conversions duly specifying the eligibility mentioned therein.

2. In the G.O.2nd read above, the Government have issued the operational guidelines to G.O.Ms.No.6, Ind. & Comm. (INFRA) Dept., dt.04.02.2022 for implementation of the Coordinated Growth Policy (CGP) for conversion of land use for units located in Industrial Estates / Parks / Areas and Stand-alone Industrial Units which are sick as per the definition of *Insolvency and Bankruptcy Code* and units which cannot operate due to pollution, urban growth and other factors for implementation of the policy.

(P.T.O.)

3. In the reference 3rd read above, the VC&MD., APIIC Ltd., has informed that as per the new Coordinated Growth Policy, the applicants need to either pay the fee or transfer share of the land in lieu of fee to obtain *no* objection from APIIC for change of land use as follows:-

Sl. No.	Type of Charge	Category	Proposed Fee
1	NOC Charges	Industrial units located in APIIC industrial parks/ estates and Standalone industrial units outside APIIC estates	50% of the Market value (i.e., Non- Agricultural: Sub Registrar Rate) Or Surrender 50% of the land the amount shall be remitted to an Escrow Account
		Industrial units on self - acquired land	15% of Market Value of the land the amount shall be remitted to an Escrow Account

4. So far, APIIC has approved to give NOC to 20 applicants for *Conversion of Land Use (CLU) from Industrial to Commercial/ Residential* and out of the 20 approved applications, 9 applicants only paid the NOC Charges and 11 applicants did not pay the NOC charges and the details are given below:-

Sl. No.	Particulars		Demand in Rs.
1	No. of approved applications for issuance of NOC.	20	81,83,63,830/-
2	No. of applications not paid the NOC charges within the stipulated time.	11	76,16,13,643/-
3	No. of applicants paid NOC charges.	09	5,67,50,187/-

5. The APIIC has informed that the allottees are not coming forward to file applications for conversion of land use from Industrial to Commercial/ Residential and not utilizing the opportunity provided in terms of *G.O.Ms.No.6, Ind. & Com. (Infra) Dept, dt.04.02.2022 and Operational guidelines issued vide G.O.Ms.No.54, Ind. & Com. (Infra) Dept., dt.29.07.2022* due to the reason on higher payment of NOC Charges i.e., 50% of the Market value (i.e., Non-Agricultural Sub Registrar Rate) Or Surrender 50% of the land. Further, it was brought to the notice of the APIIC-Head Office that though many allottees are

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willing for conversion of land use of their allotted land of APIIC from Industrial to Commercial/Residential, but the NOC charges @ 50% of the Market value (i.e. Non-Agricultural Sub-Registrar Rate) as fixed by the Government vide G.O.Ms.No.54, Ind. & Comm. (Infra) Dept., dt.29.07.2022 are too high and they requested for review of the NOC Charges to be paid for conversion of land use and to reduce it from 50% to 25% or as may be decided by the Government. Thus, against a total demand of Rs.81,83,63,830/- towards NOC charges (50% of the Market Value i.e., Non Agricultural Sub Registrar Rate) of the 20 applications approved, an amount of Rs.5,67,50,187/- only received and the other applicants not paid the NOC charges on a plea that the NOC charges amount is too high. The details are given at Annexure.

6. The APIIC has further informed that as per the information available on the practices followed in other States, the Government of Maharashtra introduced a similar policy for allowing the conversion of Industrial lands to Residential purposes etc. in Mumbai Metropolitan Region by collecting premium of 20% of the land RR rates. Similarly, Delhi, UP (Noida) and Telangana States brought land conversion Polices allowing conversion of land to Residential, Commercial and other uses on payment of a premium. Thus, reducing fee for issuance of No Objection Certificate (NOC) from 50% to 25% holds significant potential to unlock the full potential of land in line with the Coordinated Growth Policy (CGP). This reduction could attract a surge of applicants, thereby unlocking substantial economic benefits to the State such as GST, Property tax etc. Further, APIIC can implement the proposed fee for NOC issuance without incurring any revenue loss, as the APIIC has already recovered the land cost from allottees through the sale of plots/land and execution of Sale Deeds after unit implementation. Furthermore, the current surge in land costs is significant and the revenue generated from the NOC fee will translate into a substantial increase in revenue for the Government of Andhra Pradesh.

7. The VC&MD., APIIC Ltd., has therefore, requested the Government to examine on reduction of NOC charges from 50% to 25% of market value (Non -Agriculture Sub Registrar rate) or such percentage (%) as may be fixed by the Government keeping in view of the resolution passed by the 238th Board of APIIC held on 19.07.2023.

8. In the reference 4th read above, the proposal has been placed in State Investment Promotion Board (SIPB) in its meeting held on 30.01.2024 with the recommendations of the State Investment Promotion Committee (SIPC) meeting held on 29.01.2024. The SIPB has discussed the proposal in detail and recommended reduction of NOC Fees from 50% to 25% of market value (NonAgriculture Sub Registrar rate).

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9. Government, after careful examination of the proposal, hereby issues the following amendment to *para-6(F) of Annexure to the G.O.Ms.No.54, Ind. & Com. (Infra) Dept., dt.29.07.2022*:-

F. The IALA/ZO shall raise following demand notice through SDP to the applicants of approved applications within 7 days from the date of approval by the NOC Committee.

Sl. No.	Type of Charge	Category	Proposed Fee
1	NOC Charges	Industrial units located in APIIC industrial parks/estates and Standalone industrial units outside APIIC estates	**25% of the Market value (i.e., Non- Agricultural: Sub Registrar Rate)** Or Surrender 50% of the land (the amount shall be remitted to an Escrow Account)
		Industrial units on self - acquired land	15% of Market Value of the land (the amount shall be remitted to an Escrow Account)

10. The Vice Chairman & Managing Director, A.P. Industrial Infrastructure Corporation Limited, shall take necessary action in the matter.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

N. YUVARAJ
SECRETARY TO GOVERNMENT & CIP

To
The VC&MD, APIIC Ltd., APIIC Towers, Plot No.CFC-1, IT Park, Mangalagiri- 522 503.

Copy to:
The Commissioner of Industries, APIIC Towers, IT Park, Mangalagiri- 522 503.
The General Administration (Cabinet) Department, A.P. Secretariat. (w.r.t. the U.O.No.33/2024, dt.01.02.2024.).
The P.S. to Special Chief Secretary to Hon'ble C.M., O/o. the CMO.
The P.S. to Hon'ble Minister (III&C and IT), A.P. Secretariat.
The P.S. to Chief Secretary to Government, A.P. Secretariat.
The P.S. to Secretary to Govt & CIP, Ind. & Com. Dept., A.P. Secretariat.
SC/SF.

//FORWARDED BY: ORDER//

SECTION OFFICER

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(Annexure to G.O.Ms.No.17, Industries & Commerce (Infra) Dept., Dated:07.02.2024)

Annexure on the status of the 20 applications approved by APIIC

SI. No	Zone	District	Name of the I.P	Approved applications to Issue NOC	Amount paid Class	Amount Not Paid Cases
1	Srikakulam	Srikakulam	I.P.Amudalavalasa	1	1	0
2	Srikakulam	Vizianagram	—	0	0	0
3	Vishakhapatnam (R)	Visakhapatnam	—	0	0	0
4	Guntur	Guntur	I.P.Narasaraopeta	2	2	0
5	Nellore	SPSR Nellore	—	0	0	0
6	Prakasam	Prakasam	I.P.Giddaluru	2	2	0
			G.C.Ongole	1	0	1
7	Kurnool	Nandhyal	I.P.Dhone	1	1	0
8	Chittoor	Chittoor	I.P.Palamaneru	1	0	1
9	Tirupathi	Tirupathi	I.P.Renigunta	2	0	2
			IDA-Tirupathi	1	0	1
10	Ananthapur	Anantapur	I.P.Ananthapuramu	2	0	2
			I.P.Gooty	2	0	2
11	Kadapa	YSR Kadapa	IDP-Proddutur	1	1	0
			I.P.Pulivendula	1	1	0
			I.P.Madanapalle	1	1	0
			IDA-Kadapa	2	0	2
		Total		20	9	11
Total (IN INR Cr)				81.83	5.67	76.16

N. YUVARAJ
SECRETARY TO GOVERNMENT & CIP